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ABSTRACT

On October 27, 1990, Congress enacted comprehensive federal child care legislation targeted toward low-income workers and a broad expansion of assistance to parents through the earned income tax credit. This guide alerts union members to the benefits that are now available under the new law: the Omnibus Budget Reconciliation Act of 1990. The guide also recommends a plan of action at the state level through which unions can influence the crucial first steps involved in implementing this new program. (RH)

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CHILD CARE

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ALMOST OURS

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AN AFL-CIO GUIDE TO IMPLEMENTING CHILD CARE LAWS

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A MESSAGE FROM LANE KIRKLAND

For two decades the AFL-CIO has been urging Congress to address the needs of working parents and their children by enacting a comprehensive child care program. To achieve this goal, the Federation and its affiliates have worked closely with a broad alliance of child care advocates, religious, social welfare, and educational organizations.

After years of debate and negotiation, this collective effort resulted in Congressional enactment on October 27, 1990 of child care legislation targeted toward low income workers and a broad expansion of assistance to parents through the earned income tax credit.

This guide book is designed to make union members aware of the benefits that are now available under the new law. It also recommends a plan of action at the state level through which unions can influence the crucial first steps involved in implementing this critically important program.

The Federation will continue its advocacy of federal family and medical leave legislation to complement this newly enacted child care program.

THE HISTORY OF THE LEGISLATION

In the final hours of the session, the 101st Congress passed comprehensive child care legislation and expanded federal tax credits available to working families as part of the Omnibus Budget Reconciliation Act of 1990.

This is the first comprehensive federal child care legislation since World War II, when the Lanham Act of 1941 provided funding for day care centers for children whose mothers were needed in the work force while their husbands were overseas. When the war was over it was assumed that the women would return to homemaking, and the legislation was not reauthorized.

Since then, there has been limited federal funding for child day care through the welfare system and a variety of small targeted programs, but there has been no federal program or policy.

Since President Nixon vetoed a child care bill in 1971, the nation's political and economic landscapes have changed. Child care has become a basic need for working families, and promises to become even more critical as increasing numbers of women enter the labor force.

WHAT WILL IT DO?

The new child care bill, achieved after years of political struggle, promises a new foundation for addressing one of the most pressing problems facing American families today. The legislation is divided into three separate programs.

1. The first is a block grant which is designed to allow states to provide financial assistance to working parents with incomes up to 75 percent of the state median income; provide funding for before and after school programs; and improve the availability and quality of child care services.
2. The second is a grant program which will increase funding for welfare-related child care and will provide assistance to families who are at risk of being dependent on welfare.
3. The third is a tax credit program which is a broad expansion of earned income tax credits with a special allowance for purchase of health insurance coverage.

The legislation will make available approximately $22 billion over the next 5 years.

I. THE CHILD CARE AND DEVELOPMENT BLOCK GRANT OF 1990

This program establishes a block grant to states, authorizing expenditures of $2.5 billion over FY 1991-FY 1993, and "such sums as may be necessary" in FY 1994 and FY 1995. Funds will be allocated in the following way: $731.9 million in FY 1991, $825 million in FY 1992 and $925 million in FY 1993.

States must use three-quarters of their total allocation of funds for direct assistance for children age 13 and under to parents earning up to 75% of the state median income for child care services. (Services will be free for those families whose earnings are at or below the poverty level.) An unspecified portion of the block grant may be spent by the state on activities which improve the quality and ensure the supply of care. However, as there is money available in other sections of the act for this purpose, Congressional intent is that the majority of resources under this section of the bill be spent on services.

HHS 1990 POVERTY INCOME GUIDELINES FOR FEDERAL PROGRAMS

On February 16, the Department of Health and Human Services (HHS) issued new poverty guidelines updated to account for last year's increase in prices as measured by the Consumer Price Index. These poverty income guidelines are used as an eligibility criterion by a number of Federal programs.

All States Except Alaska and Hawaii		Poverty Income Guidelines for Alaska		Poverty Income Guidelines for Hawaii	
Size of Family Unit	Poverty Guideline	Size of Family Unit	Poverty Guideline	Size of Family Unit	Poverty Guideline
1	$6,280	1	$7,840	1	$7,230
2	8,420	2	10,520	2	9,690
3	10,560	3	13,200	3	12,150
4	12,700	4	15,880	4	14,610
5	14,840	5	18,560	5	17,070
6	16,980	6	21,240	6	19,530
7	19,120	7	23,920	7	21,990
8	21,260	8	26,600	8	24,450
For family units with more than eight members, add $2,140 for each additional member.		*For family units with more than eight members, add $2,680 for each additional member.*		*For family units with more than eight members, add $2,460 for each additional member.*	

STATE'S MEDIAN INCOME

State	Median Household Income 1990	75% of Median
Alabama	$21,668	$16,251.00
Alaska	35,237	26,427.75
Arizona	28,336	21,252.00
Arkansas	21,212	15,909.00
California	32,539	24,404.25
Colorado	29,878	22,408.50
Connecticut	38,234	28,675.50
Delaware	31,087	23,315.25
District of Columbia	29,497	22,122.75
Florida	26,499	19,874.25
Georgia	27,738	20,803.50
Hawaii	34,805	26,103.75
Idaho	25,126	18,844.50
Illinois	31,034	23,275.50
Indiana	27,857	20,892.75
Iowa	25,746	19,309.50
Kansas	27,298	20,473.50
Kentucky	22,381	16,785.75
Louisiana	23,114	17,335.50
Maine	26,726	20,044.50
Maryland	38,019	28,514.25
Massachusetts	35,035	26,276.25
Michigan	30,967	23,225.25
Minnesota	30,818	23,113.50
Mississippi	19,968	14,976.00
Missouri	25,711	19,283.25
Montana	23,895	17,921.25
Nebraska	26,636	19,977.00
Nevada	30,667	23,000.25
New Hampshire	34,687	26,015.25
New Jersey	38,226	28,669.50
New Mexico	22,656	16,992.00
New York	30,719	23,039.25
North Carolina	25,769	19,326.75
North Dakota	25,325	18,993.75
Ohio	28,659	21,494.25
Oklahoma	24,753	18,564.75
Oregon	28,116	21,087.00
Pennsylvania	28,120	21,090.00
Rhode Island	29,363	22,022.25
South Carolina	26,581	19,935.75
South Dakota	22,949	17,211.75
Tennessee	23,366	17,524.50
Texas	26,391	19,793.25
Utah	29,582	22,186.50
Vermont	27,891	20,918.25
Virginia	33,798	25,348.50
Washington	31,652	23,739.00
West Virginia	21,184	15,888.00
Wisconsin	30,678	23,008.50
Wyoming	29,724	22,293.00
United States	**28,924**	**$21,693.00**

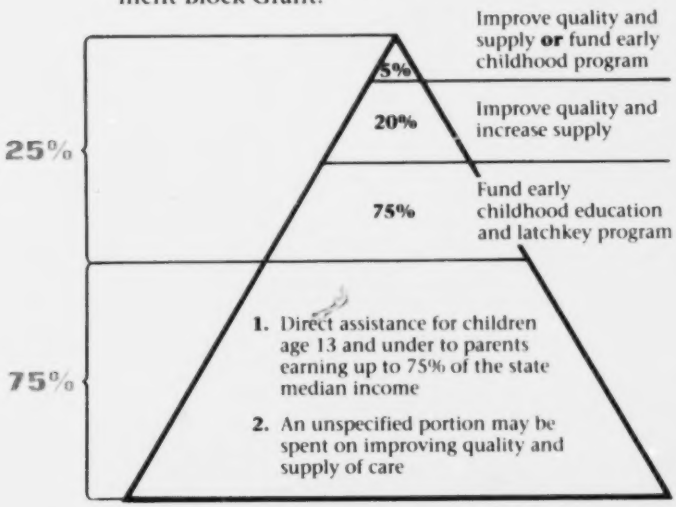
These figures are estimates made by Donnelley Marketing Information Service.

States must reserve 25% of their total block grant allocation to fund early childhood education and latch key programs and activities to improve the quality of child care. Three-fourths of the reserved funds must be used for the provision of grants and contracts to expand and conduct early childhood development programs and/or before and after school programs; 20% must be used to improve the quality of care and 5% can be used for either purpose.

Appropriate activities to improve the quality of care must include one or more of the following:

1. Resource and referral programs.
2. Grants and loans to assist in meeting state and local standards.
3. Monitoring of compliance and licensing and regulatory requirements.
4. Training and technical assistance to providers and staff.
5. Improving salaries and compensation to staff.

The following graph shows the intended allocation of block grant funds by the activities authorized under the Child Care and Development Block Grant.


Improve quality and supply **or** fund early childhood program
5%
Improve quality and increase supply
20%
25%
Fund early childhood education and latchkey program
75%
1. Direct assistance for children age 13 and under to parents earning up to 75% of the state median income
2. An unspecified portion may be spent on improving quality and supply of care
75%

Parental Choice

Parents eligible for assistance under this section of the bill will be entitled to choose between two options. They can either:

1. Receive a certificate with which they can purchase care from any licensed, regulated or registered provider, including relatives, churches, synagogues, family providers, centers, schools and employers, or
2. Enroll their child in a program with an eligible provider which has received a grant or contract from the state to provide child care services under this act.

Parental Access and Rights

States must provide assurance that procedures are in effect within the state to ensure that:

1. Child care providers have an open door policy and afford parents unlimited access to their children during normal hours of operation and whenever children are in the care of such providers.
2. States are required to maintain a record of substantiated parental complaints and makes this information available to the public on request.
3. Consumer education information is to be made available to parents and the general public concerning licensing and regulatory requirements, complaint procedures, policies and practices relative to child care services within the state.

Standards and Quality

States must provide assurances that:

1. All eligible providers shall be licensed, regulated or registered and be in compliance with the state requirements prior to receiving payment under the act.
2. The state plan shall describe minimum health and safety requirements for child care programs and establish procedures to ensure compliance.

These requirements must include:

a. Prevention and control of infectious diseases;

b. Building and physical premise safety; and

c. Health and safety training for providers.

3. States may impose more stringent standards on providers serving children under this program than on providers not receiving these public funds. Alternatively, if a state reduces its current standards, the state is required to inform the Secretary of HHS of the rationale for the reduction; and

4. The state must conduct a one-time review of state licensing and regulatory requirements and policies for child care facilities—unless the state has done so within the past three years.

How the Program is Administered

The Governor is required to submit an application to the Secretary of Health and Human Services designating an appropriate State Agency to act as the lead agency to carry out the requirements of the act.

The lead Agency will:

1. Administer the program and the financial assistance directly or through other state Agencies,

2. Coordinate the provisions of services under the program with other Federal, State and local child care and early childhood development programs, and

3. In developing the state plan the lead agency must:

   a. Hold at least one open hearing to provide an opportunity for public comment on the provision of child care services; and

   b. Consult with appropriate representatives of local government on existing resources for child care services and determine how best to address the current local needs.

The State Plan Must Include

1. A general description of planned use of funds;
2. Provisions to ensure that such funds are not used to supplant or substitute for current Federal, state or local expenditures on child care services or related programs;
3. A sliding fee scale giving proportionately more assistance to lower income workers and families with children who have special needs; and
4. A system of payment and/or reimbursement to providers.

Funding

The new law authorizes appropriations of $731.9 million in FY 1991, $825 million in FY 1992 and $925 million in FY 1993, and such sums as may be necessary in FY 1994 and FY 1995. Due to action by the Appropriations Committee, however, states may not obligate the 1991 dollars until September 7, 1991—three weeks before the end of the fiscal year. This was a cost saving device on the part of Congress, based on the assumption that states would be unable to gear up for these programs before that time. States who are unable to spend their entire allocation within the three week period, prior to the start of the new fiscal year, will be allowed to carry their remaining allocation into the next fiscal year.

States will receive funds based on a formula that takes into account the number of children in the state below the age of five and the number of children receiving assistance through the federal school lunch program.

Note for Table on next page: Funds are allocated among states on the basis of free and reduced price school lunch participation (50%) and children age 0-4 (50%). Both factors are adjusted for per capita personal income. To the extent the secretary reserves more than 1% for Indian tribes, funds for other jurisdictions will be reduced.

Amounts reflect allocations at fully authorized levels using currently available data. Allocations may change to reflect appropriations levels, or as other data become available. No data on children age 0-4 are published for Puerto Rico, and estimates are based on "aged" estimates from the 1980 census.

POSSIBLE ANNUAL ALLOCATIONS OF CHILD CARE AND DEVELOPMENT BLOCK GRANT

(federal fiscal years; dollars in thousands)

State	School Lunch Allocation	Children 0-4	1991	1992	1993
Alabama	$10,501	$6,637	$17,138	$19,318	$21,659
Alaska	431	829	1,260	1,420	1,592
Arizona	5,365	6,625	11,630	13,109	14,698
Arkansas	5,563	3,888	9,451	10,653	11,944
California	37,434	40,862	78,296	88,252	98,949
Colorado	3,371	4,830	8,201	9,244	10,364
Connecticut	1,848	3,382	5,230	5,895	6,609
Delaware	578	905	1,482	1,671	1,873
District of Columbia	891	715	1,606	1,810	2,030
Florida	16,562	16,408	32,970	37,163	41,668
Georgia	12,450	10,448	22,898	25,809	28,938
Hawaii	1,297	1,618	2,916	3,287	3,685
Idaho	1,800	1,765	3,566	4,019	4,507
Illinois	13,629	15,033	28,662	32,307	36,223
Indiana	5,683	8,157	13,839	15,599	17,490
Iowa	3,530	3,994	7,523	8,480	9,508
Kansas	3,093	3,726	6,819	7,686	8,618
Kentucky	8,085	5,587	13,672	15,410	17,278
Louisiana	14,350	8,090	22,440	25,294	28,360
Maine	1,325	1,703	3,028	3,413	3,827
Maryland	3,605	5,715	9,321	10,506	11,779
Massachusetts	3,672	6,200	9,871	11,127	12,475
Michigan	9,297	12,851	22,148	24,964	27,990
Minnesota	4,258	6,192	10,450	11,779	13,207
Mississippi	10,570	4,537	15,107	17,028	19,092
Missouri	6,599	7,294	13,893	15,659	17,557
Montana	1,215	1,319	2,534	2,856	3,202
Nebraska	2,081	2,464	4,545	5,123	5,744
Nevada	699	1,492	2,191	2,470	2,769
New Hampshire	433	1,296	1,729	1,949	2,185
New Jersey	5,196	8,149	13,346	15,043	16,866
New Mexico	4,245	2,995	7,240	8,161	9,150
New York	22,788	21,275	44,064	49,667	55,687
North Carolina	11,333	9,957	21,289	23,996	26,905
North Dakota	1,027	1,117	2,144	2,417	2,710
Ohio	12,564	15,488	28,052	31,619	35,452
Oklahoma	6,127	5,229	11,356	12,800	14,351
Oregon	3,207	4,029	7,236	8,156	9,145
Pennsylvania	11,086	15,115	26,201	29,533	33,113
Rhode Island	821	1,265	2,086	2,351	2,636
South Carolina	8,016	5,922	13,938	15,711	17,615
South Dakota	1,551	1,251	2,802	3,159	3,541
Tennessee	8,671	7,336	16,007	18,043	20,230
Texas	36,132	30,090	66,222	74,643	83,691
Utah	3,018	3,911	6,929	7,810	8,757
Vermont	475	801	1,276	1,438	1,612
Virginia	5,789	7,748	13,537	15,258	17,107
Washington	4,493	6,455	10,947	12,339	13,835
West Virginia	3,925	2,458	6,384	7,195	8,068
Wisconsin	4,997	7,061	12,058	13,591	15,239
Wyoming	627	801	1,428	1,610	1,805
Puerto Rico	14,188	7,837	22,025	24,826	27,835
Territories	1,812	1,812	3,623	4,084	4,579
Indian Tribes	3,660	3,660	7,319	8,250	9,250
Total	**$365,963**	**$365,963**	**$731,925**	**$825,000**	**$925,000**

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II. GRANTS TO STATES TO INCREASE TITLE IV-A CHILD CARE

This program will create a new child care capped entitlement program under Title IV-A of the Social Security Act. States may receive up to $300 million a year which must be matched by state funds.

The goal of this program is to provide child care to families who need it to be able to work and otherwise would be at risk of becoming dependent on Aid to Families with Dependent Children (AFDC). Eligibility for services under this section of the law is to be determined by the state.

Child Care providers receiving funds under this program are required to be licensed, regulated or registered with the state — except that no requirements would apply to care provided solely to family members.

Beginning in FY 1992, the bill authorizes an additional $50 million per year to help states improve standards for child care programs, to monitor compliance with standards, and provide training to child care providers.

ESTIMATED FEDERAL AND STATE SPENDING FOR THE JOBS CHILD CARE BLOCK GRANT

(federal fiscal years; dollars in thousands)

	FMAP		1991			1992		
STATE	1991	1992	FEDERAL	STATE	TOTAL	FEDERAL	STATE	TOTAL
Alabama	72.73	72.93	$4,936	$1,851	$6,787	$4,936	$1,832	$6,768
Alaska	50.00	50.00	808	808	1,161	808	808	1,616
Arizona	61.72	62.61	4,606	2,857	7,484	4,606	2,751	7,357
Arkansas	75.12	75.66	2,903	962	3,865	2,903	934	3,837
California	50.00	50.00	36,603	36,603	73,207	36,603	36,603	73,207
Colorado	53.59	54.79	4,053	3,510	7,563	4,053	3,345	7,398
Connecticut	50.00	50.00	3,456	3,456	6,913	3,456	3,456	6,913
Delaware	50.00	50.12	777	777	1,534	777	777	1,550
Dist. of Columbia	50.00	50.00	678	678	1,355	678	678	1,355
Florida	54.46	54.69	13,235	11,067	24,302	13,235	10,965	24,200
Georgia	61.34	61.78	8,113	5,113	13,226	8,113	5,019	13,132
Hawaii	54.14	52.57	1,361	1,153	2,515	1,361	1,228	2,590
Idaho	73.65	73.24	1,393	498	1,891	1,393	509	1,901
Illinois	50.00	50.00	13,670	13,670	27,341	13,670	13,670	27,341
Indiana	63.24	63.85	6,540	3,801	10,341	6,540	3,703	10,243
Iowa	63.41	65.04	3,226	1,862	5,088	3,226	1,734	4,961
Kansas	57.35	59.23	3,071	2,284	5,355	3,071	2,114	5,185
Kentucky	72.96	72.82	4,296	1,592	5,088	4,296	1,603	5,899
Louisiana	74.48	75.44	5,906	2,024	7,929	5,906	1,923	7,828
Maine	63.49	62.40	1,368	786	2,154	1,368	824	2,192
Maryland	50.00	50.00	5,365	5,365	10,730	5,365	5,365	10,730
Massachusetts	50.00	50.00	6,123	6,123	12,247	6,123	6,123	12,247
Michigan	54.17	55.41	11,003	9,309	20,313	11,003	8,855	19,858
Minnesota	53.43	54.43	5,247	4,573	9,820	5,247	4,393	9,640
Mississippi	79.93	79.99	3,456	868	4,324	3,456	865	4,321
Missouri	59.82	60.84	5,968	4,009	9,976	5,968	3,841	9,809
Montana	71.73	71.70	1,007	397	1,404	1,007	397	1,405
Nebraska	62.71	64.50	1,952	1,161	3,113	1,952	1,074	3,026
Nevada	50.00	50.00	1,305	1,305	2,611	1,305	1,305	2,611
New Hampshire	50.00	50.00	1,281	1,281	2,561	1,281	1,281	2,561
New Jersey	50.00	50.00	8,293	8,293	16,586	8,293	8,293	16,586
New Mexico	75.38	74.33	2,120	769	2,889	2,120	732	2,852
New York	50.00	50.00	19,937	19,937	39,873	19,937	19,937	39,873
North Carolina	66.60	66.52	7,336	3,679	11,014	7,336	3,692	11,028
North Dakota	70.00	72.75	832	360	1,199	839	314	1,154
Ohio	59.93	60.63	12,738	8,517	21,254	12,738	8,271	21,009
Oklahoma	69.65	70.74	3,910	1,704	5,614	3,910	1,617	5,528
Oregon	63.50	63.55	3,195	1,837	5,032	3,195	1,833	5,028
Pennsylvania	56.64	56.84	12,812	9,808	22,621	12,812	9,729	22,541
Rhode Island	53.74	53.29	1,057	910	1,967	1,057	926	1,983
Southe Carolina	72.58	72.66	4,296	1,623	5,919	4,296	1,616	5,912
South Dakota	71.69	72.59	914	361	1,275	914	345	1,259
Tennessee	68.57	68.41	5,595	2,565	8,159	5,595	2,584	8,179
Texas	63.53	64.18	23,020	13,215	36,235	23,020	12,848	35,868
Utah	74.89	75.11	2,996	1,005	4,001	2,996	993	3,989
Vermont	61.97	61.37	647	397	1,043	647	407	1,053
Virginia	50.00	50.00	6,770	6,770	13,540	6,770	6,770	13,540
Washington	54.21	54.98	5,651	4,773	10,424	5,651	4,627	10,278
West Virginia	77.00	77.68	2,002	598	2,600	2,002	575	2,577
Wisconsin	59.62	60.38	5,757	3,899	9,655	5,757	3,777	9,534
Wyoming	68.14	69.10	634	296	931	634	284	918
Puerto Rico	50.00	50.00	5,402	5,402	10,804	5,402	5,402	10,804
American Samoa	50.00	50.00	75	75	149	75	75	149
Guam	50.00	50.00	205	205	410	205	205	410
Virgin Islands	50.00	50.00	93	93	186	93	93	186
TOTAL	**N/A**	**N/A**	**$300,000**	**$226,832**	**$526,832**	**$300,000**	**$223,918**	**$523,918**

Note: Federal medical assistance percentages (FMAP's) and 1991 allocations represent actual amounts. Allocations for 1992 will change as new data become available. *Copyright (c) 1991. Federal Funds information for States - FFIS. All rights reserved.*

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III. EXPANSION OF THE EARNED INCOME TAX CREDIT

The largest expenditure in the package of child care legislation enacted as part of the Omnibus Budget Reconciliation Act of 1990 is for expansion of the earned income tax credit (EITC).

Current Law

A family with a child under age 19 (age 24, if a full time student) with an adjusted gross income of less than $21,000 is eligible for a tax credit. If no taxes are owed the tax credit is paid directly to the employee at the end of the year by the Internal Revenue Service or in advance as part of wages. Employers are required to notify employees not having income tax withheld that *they may be eligible for a tax refund.* Employees who file a certificate of eligibility, which is valid for one calendar year, are entitled to advance payment of the credit with their wages.

Under current law, as well as under the new legislation, the tax credit is available whether or not a parent stays at home with the child. *In other words, the family does not have to have any child care expenditures to receive the credit.*

What's Changing

Effective in 1991 the Earned Income Tax Credit will be indexed for inflation and include the following three provisions:

1. The basic EITC is increased and will include two benefit levels - one for families with one child and one for families with two or more children. For one child families, the maximum amount in 1991 will be $1,235 and by 1994 the credit will rise to $1,854.

2. A new "Young Child Supplement" will provide an additional credit of 5% of earned income to families who have a child under one year of age. The maximum young child credit amount for 1991 for families with a child under age one is $357, for a total maximum EITC amount of $1,549 for families with one child and $1,592 for families with two or more children. By 1994, the maximum young child credit amount will be $403, for a total maximum EITC amount of $2,257 for families with one child and

$2,418 for families with two or more children.

Eligibility for this supplemental tax credit is limited to families with a maximum earned income of $21,243 in 1991 and $23,982 in 1994. However, families that claim the supplement may not also claim the existing Dependent Care Tax Credit for child care expenses for the same child.

3. A new health insurance supplement to the EITC provides an additional increase in benefits of 6% of earned income for families who have out-of-pocket health insurance premium expenses.

EARNED INCOME TAX CREDIT • TAXABLE YEAR 1991[1]
FAMILIES WITH ONE CHILD

Adjusted Gross Income	Current Law Credit	New Basic Credit[2]	Basic+ Young Child Credit[3]	Basic+ Health Insurance Credit[4]	Basic+ Young Child+ Health Credit
$0	0	0	0	0	0
$1,000	140	167	217	227	277
$2,000	280	334	434	454	554
$3,000	420	501	651	681	831
$4,000	560	668	868	908	1,108
$5,000	700	835	1,085	1,135	1,385
$6,000	840	1,002	1,302	1,362	1,662
$7,000	980	1,169	1,519	1,589	1,939
$7,140	1,000	1,192	1,549	1,621	1,978
$8,000	1,000	1,192	1,549	1,621	1,978
$9,000	1,000	1,192	1,549	1,621	1,978
$10,000	1,000	1,192	1,549	1,621	1,978
$11,000	1,000	1,192	1,549	1,621	1,978
$11,250	1,000	1,192	1,549	1,621	1,978
$12,000	925	1,103	1,433	1,499	1,829
$13,000	825	984	1,278	1,337	1,632
$14,000	725	864	1,123	1,175	1,434
$15,000	625	745	968	1,013	1,236
$16,000	525	626	813	851	1,038
$17,000	425	506	658	688	840
$18,000	325	387	503	526	642
$19,000	225	268	348	364	444
$20,000	125	149	193	202	247
$21,000	25	29	38	40	49
$21,239	1	1	1	1	1
$21,240	1	0	1	1	1
$21,241	1	0	1	1	1
$21,242	0	0	0	1	1
$21,243	0	0	0	0	1
$21,244	0	0	0	0	0

1 Figures based on a projected inflation rate of 4.8% in 1990, as estimated by the Congressional Budget Office.

2 Unlike the current law credit, which stays constant at each income level, the new credit consists of a basic amount which varies according to family size, to which the young child credit and the health insurance credit may be added.

3 This credit is available to families with a child under age one.

4 This credit is available to families with out-of-pocket health insurance premium expenses, and may not be greater than the amount of those expenses. These figures assume that the family's expenses are equal to or higher than the full credit amount.

You should consult the Internal Revenue Service for information on how to claim these benefits.

The maximum health insurance credit amount for 1991 is $428, for a total maximum EITC amount of $1,621 for families with one child who is not under age one, $1,664 for families with two or more children none of whom is under age one, $1,978 for families with one child who is under age one, and $2,021 for families with two or more children, at least one of whom is under age one. By 1994, the maximum health insurance credit amount will be $484, and the maximum total EITC credit amounts for these families will be $2,337, $2,499, $2,740, and $2,902, respectively.

EARNED INCOME TAX CREDIT • TAXABLE YEAR 1991[1]
FAMILIES WITH TWO OR MORE CHILDREN

Adjusted Gross Income	Current Law Credit	New Basic Credit[2]	Basic+ Young Child Credit[3]	Basic+ Health Insurance Credit[4]	Basic+ Young Child+ Health Credit
$0	0	0	0	0	0
$1,000	140	173	223	233	283
$2,000	280	336	446	466	566
$3,000	420	519	669	699	849
$4,000	560	692	892	932	1,132
$5,000	700	865	1,115	1,165	1,415
$6,000	840	1,038	1,338	1,398	1,698
$7,000	980	1,211	1,561	1,631	1,981
$7,140	1,000	1,235	1,592	1,664	2,021
$8,000	1,000	1,235	1,592	1,664	2,021
$9,000	1,000	1,235	1,592	1,664	2,021
$10,000	1,000	1,235	1,592	1,664	2,021
$11,000	1,000	1,235	1,592	1,664	2,021
$11,250	1,000	1,235	1,592	1,664	2,021
$12,000	925	1,143	1,473	1,539	1,869
$13,000	825	1,019	1,313	1,372	1,667
$14,000	725	895	1,154	1,206	1,465
$15,000	625	772	995	1,039	1,263
$16,000	525	648	836	873	1,060
$17,000	425	525	676	707	858
$18,000	325	401	517	540	656
$19,000	225	277	358	374	454
$20,000	125	154	198	207	252
$21,000	25	30	39	41	50
$21,240	1	1	1	1	2
$21,241	1	0	1	1	1
$21,243	0	0	1	1	1
$21,243	0	0	0	1	1
$21,244	0	0	0	0	1
$21,245	0	0	0	0	0

1 Figures based on a projected inflation rate of 4.8% in 1990, as estimated by the Congressional Budget Office.

2 Unlike the current law credit, which stays constant at each income level, the new credit consists of a basic amount which varies according to family size, to which the young child credit and the health insurance credit may be added.

3 This credit is available to families with a child under age one.

4 This credit is available to families with out-of-pocket health insurance premium expenses, and may not be greater than the amount of those expenses. These figures assume that the family's expenses are equal to or higher than the full credit amount.

EARNED INCOME TAX CREDIT • TAXABLE YEAR 1994[1]
FAMILIES WITH ONE CHILD

Adjusted Gross Income	Current Law Credit	New Basic Credit[2]	Basic+ Young Child Credit[3]	Basic+ Health Insurance Credit[4]	Basic+ Young Child+ Health Credit
$0	0	0	0	0	0
$1,000	140	230	280	290	340
$2,000	280	460	560	580	680
$3,000	420	690	840	870	1,020
$4,000	560	920	1,120	1,160	1,360
$5,000	700	1,150	1,400	1,450	1,700
$6,000	840	1,380	1,680	1,740	2,040
$7,000	980	1,610	1,960	2,030	2,380
$8,000	1,120	1,840	2,240	2,320	2,720
$8,060	1,128	1,854	2,257	2,337	2,740
$9,000	1,128	1,854	2,257	2,337	2,740
$10,000	1,128	1,854	2,257	2,337	2,740
$11,000	1,128	1,854	2,257	2,337	2,740
$12,000	1,128	1,854	2,257	2,337	2,740
$12,700	1,128	1,854	2,257	2,337	2,740
$13,000	1,098	1,805	2,197	2,275	2,668
$14,000	998	1,640	1,997	2,068	2,425
$15,000	898	1,476	1,797	1,861	2,182
$16,000	798	1,312	1,597	1,654	1,939
$17,000	698	1,147	1,397	1,447	1,696
$18,000	598	983	1,197	1,240	1,453
$19,000	498	819	997	1,032	1,210
$20,000	398	654	797	825	968
$21,000	298	490	597	618	725
$22,000	198	326	397	411	482
$23,000	98	162	197	204	239
$23,979	1	1	1	1	1
$23,980	0	0	1	1	1
$23,981	0	0	1	0	1
$23,982	0	0	0	0	0

1 Figures based on a projected inflation rate of 4.8% in 1990, 4.2% in 1991 and 1992, and 4.0% in 1993, as estimated by the Congressional Budget Office.

2 Unlike the current law credit, which stays constant at each income level, the new credit consists of a basic amount which varies according to family size, to which the young child credit and the health insurance credit may be added.

3 This credit is available to families with a child under age one.

4 This credit is available to families with out-of-pocket health insurance premium expenses, and may not be greater than the amount of those expenses. These figures assume that the family's expenses are equal to or higher than the full credit amount.

EARNED INCOME TAX CREDIT • TAXABLE YEAR 1994[1]
FAMILIES WITH TWO OR MORE CHILDREN

Adjusted Gross Income	Current Law Credit	New Basic Credit[2]	Basic+ Young Child Credit[3]	Basic+ Health Insurance Credit[4]	Basic+ Young Child+ Health Credit
$0	0	0	0	0	0
$1,000	140	250	300	310	360
$2,000	280	500	600	620	720
$3,000	420	750	900	930	1,080
$4,000	560	1,000	1,200	1,240	1,440
$5,000	700	1,250	1,500	1,550	1,800
$6,000	840	1,500	1,800	1,860	2,160
$7,000	980	1,750	2,100	2,170	2,520
$8,000	1,120	2,000	2,400	2,480	2,880
$8,060	1,128	2,015	2,418	2,499	2,902
$9,000	1,128	2,015	2,418	2,499	2,902
$10,000	1,128	2,015	2,418	2,499	2,902
$11,000	1,128	2,015	2,418	2,499	2,902
$12,000	1,128	2,015	2,418	2,499	2,902
$12,700	1,128	2,015	2,418	2,499	2,902
$13,000	1,098	1,961	2,354	2,432	2,824
$14,000	998	1,783	2,139	2,211	2,567
$15,000	898	1,604	1,925	1,989	2,310
$16,000	798	1,426	1,711	1,768	2,053
$17,000	698	1,247	1,497	1,546	1,796
$18,000	598	1,068	1,282	1,325	1,539
$19,000	498	890	1,068	1,103	1,282
$20,000	398	711	854	882	1,024
$21,000	298	533	639	661	767
$22,000	198	354	425	439	510
$23,000	98	175	211	218	253
$23,979	1	1	1	1	1
$23,980	0	0	1	1	1
$23,981	0	0	0	0	0
$23,982	0	0	0	0	0

1 Figures based on a projected inflation rate of 4.8% in 1990, 4.2% in 1991 and 1992, and 4.0% in 1993, as estimated by the Congressional Budget Office.

2 Unlike the current law credit, which stays constant at each income level, the new credit consists of a basic amount which varies according to family size, to which the young child credit and the health insurance credit may be added.

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4 This credit is available to families with out-of-pocket health insurance premium expenses, and may not be greater than the amount of those expenses. These figures assume that the family's expenses are equal to or higher than the full credit amount.

A PLAN OF ACTION

As stated earlier, this landmark legislation was passed as a result of the intense collaborative effort of a large coalition of childrens' advocates, including organized labor. In most states and many communities grassroots advocacy organizations are still in place.

Labor representatives should continue their contacts with these local groups to achieve the most satisfactory implementation of this important legislation. Here is a list of state advocates from childrens organizations who have been active in efforts to get the federal legislation enacted.

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Provided by the Childrens Defense Fund of Washington, D.C.

If you need additional help in identifying groups for collaboration, call the national office and we will assist you in identifying appropriate contacts in your area. The number to call is (202) 637-5208.

What Can You Do? A 5 Point Plan

1. Urge your Governor to act expeditiously in designating a lead agency to administer the program. The lead agency may be a state entity in existence on or before the enactment of the bill and one that has experience in the administration of child care programs.

Remember, a state is not precluded from setting up a new agency with a single focus on child care and children to administer the block grant. It is important that the Governor choose an agency that has a broad child care focus and not simply give the program to the office responsible for administering the welfare program—The Family Support Act.

2. Once the lead agency is chosen it must develop the State Plan to be submitted to the Secretary of Health and Human Services, in Washington, D. C. As part of this process the lead agency must hold a public hearing and consult with other agencies serving children.

You should be involved in both these endeavors. Make sure that the lead agency gives broad and adequate notice of the time and place of the public hearing and that notice be given to all the appropriate groups. This should include child care providers, resource and referral agencies, zoning officials, local health departments, childrens organizations, as well as union representatives. Make sure you get a copy of the proposed state plan in time to review it and prepare any appropriate statement you want to give at the public hearing.

In the process of reviewing a state's plans for coordinating the child care and early childhood development programs, you should try and ensure that the funding

streams provide the maximum amount of assistance to the greatest number of families and in the least confusing fashion!

3. Advocates must make sure that the sliding fee scale, upon which assistance is based, has been set up fairly. It should accurately consider family size and income and not create a burdensome process of recertification for eligibility if a family's income or size changes.

4. Eligible parents are to be given a choice of receiving a certificate with which they can purchase licensed or regulated care or of enrolling their child with a provider eligible to receive state assistance.

   Many parents may automatically feel the most desirable choice would be the certificate, with the expectation that it would allow more freedom of choice. You should first determine whether there are the types of care available in the community that you may wish to purchase.

   Parents should also consider that many of what seem to be the most convenient choices of a neighbor or relative are frequently less stable arrangements than an established center or nursery school.

5. Urge the state lead agency to appoint an advisory committee to help in the development of the state plan.

IT'S UP TO YOU!

You have been speaking within your family, among your colleagues, in your community and in the State House about the dire need to get some assistance for child care. Now that some help has been made available you need to continue to be heard. You should diligently monitor and bring your influence to bear on the way funds are allocated in your state and on how the programs are set up.

We are available to assist you with information and will continue to work in the Congress and with the Administration for adequate funding and substantive program improvement, but how it comes together is up to you!

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